

CITY OF DURHAM, NORTH CAROLINA
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
Year Ended June 30, 2001

I – Summary of auditors' results

Financial Statements

Type of auditor's report issued: *Unqualified*

Internal control over financial reporting:

- Material weakness(es) identified? ☒ yes ☐ no
- Reportable condition(s) identified that are not considered to be material weaknesses? ☒ yes ☐ none reported
- Noncompliance material to financial statements noted? ☐ yes ☒ no

Federal Awards

Internal control over major federal programs:

- Material weakness(es) identified? ☒ yes ☐ no
- Reportable condition(s) identified that are not considered to be material weaknesses? ☒ yes ☐ none reported

Type of auditor's report issued on compliance for major federal programs: *Qualified*

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of Circular A-133?

☒ yes ☐ no

Identification of major federal programs:

<u>CFDA Numbers</u>	<u>Names of Federal Program or Cluster</u>
14.218	Community Development Block Grant – Entitlement Grants
14.239	Home Investment Partnership Agreement
14.900	Housing and Urban Development – Lead Base Paint Hazard Control
14.864	Housing and Urban Development – Economic Development
16.590	City Wide Domestic Violence
16.592	Local Law Enforcement Block Grant
16.710	COPS Universal Hiring Program
16.710	COPS in School

CITY OF DURHAM, NORTH CAROLINA
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
Year Ended June 30, 2001

I – Summary of auditors' results (continued)

Identification of major federal programs (continued):

<u>CFDA Numbers</u>	<u>Names of Federal Program or Cluster</u>
20.500	Federal Transit Administration Section 3
20.507	Federal Transit Administration Section 9
20.205	Urban Development Section 104(f)
20.---	Federal and State Trans Matching Project

Dollar threshold used to distinguish between Type A
and Type B Programs:

\$ 335,816

Auditee qualified as low-risk auditee?

_____ yes x no

State Awards

Internal control over major state programs:

- Material weakness(es) identified? _____ yes x no
- Reportable condition(s) identified that are not
considered to be material weaknesses? _____ yes x none reported

Type of auditor's report issued on compliance for major state programs: *Unqualified.*

Any audit findings disclosed that are required to
reported in accordance with the *Audit Manual for*
Governmental Auditors in North Carolina?

_____ yes x no

Identification of major state programs:

<u>Grant Number</u>	<u>Names of State Program or Cluster</u>
N/A	Powell Bill
9.9051903	NCDOT – State Maintenance
N/A	Williams Water Treatment Plant – Loan Agreement
N/A	Brown Water Treatment Plant – Loan Agreement

II – Financial statement findings

None reported.

CITY OF DURHAM, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2001

III – Federal award findings and questioned costs

U.S. Department of Housing and Urban Development

Program Name: Economic Development

CFDA #: 14.864

Grant Number: B-99-SP-NC-0117

Reportable Condition
Finding 01-1

Criteria:	The City is required to meet the underwriting requirements set forth in the grant agreement. Also, the City is required to meet public benefit and national objective documentation standards.
Condition:	The Department of Housing and Urban Development monitoring visit and our single audit revealed Economic Development did not properly meet loan underwriting requirements related to the commercial loan pool.
Effect:	The program is in violation of meeting the underwriting documentation requirements.
Cause:	The program is in violation of meeting the underwriting requirements.
Questioned Costs:	\$827,595. This amount was determined by totaling all of the loans in the commercial loan pool.
Recommendation:	We recommend properly documenting all commercial loans as required by the underwriting requirements set forth in the grant agreement.

CITY OF DURHAM, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2001

U.S. Department of Justice
Program Name: City Wide Domestic Violence
CFDA #: 16.590
Grant Number: 97-WE-VX-0087

Reportable Condition
Finding 01-2

Criteria:	The City is required to file quarterly Financial Status Reports. Each report is due 45 days after quarter end.
Condition:	Our audit procedures revealed the first quarterly report was not filed timely. The second quarter report did not contain a submission date.
Effect:	The City of Durham is not in compliance with the reporting requirements as specified by the grantor.
Cause:	The program administrators failed to file the reports timely.
Questioned Costs:	None.
Recommendation:	We recommend reports for grants received be filed in a timely manner.

CITY OF DURHAM, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2001

U.S. Department of Justice
Program Name: Local Law Enforcement Block Grant
CFDA #: 16.591
Grant Number: 1998-LB-VX-2791
 1999-LB-VX-2791
 2000-LB-VX-0021

Reportable Condition
Finding 01-3

Criteria:	The City is required to file quarterly Financial Status Reports. Each report is due 45 days after quarter end.
Condition:	Our audit procedures revealed one quarterly report for grant 1998-LB-VX-2791 was not filed timely, and the final report did not contain a submission date. Two quarterly reports for the 1999-LB-VX-2791 grant were not filed timely. The second quarterly report was not filed timely for the 2000-LB-VX-0021 grant.
Effect:	The City of Durham is not in compliance with the reporting requirements as specified by the grantor.
Cause:	The program administrators failed to file the reports timely.
Questioned Costs:	None.
Recommendation:	We recommend reports for grants received be filed in a timely manner.

CITY OF DURHAM, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2001

U.S. Department of Justice
Program Name: COPS Universal Hiring and COPS in School
CFDA #: 16.710
Grant Number: 1999-UM-WX-3140
1999-SH-WX-0289

Reportable Condition
Finding 01-4

Criteria:	The City is required to file quarterly Financial Status Reports. Each report is due 45 days after quarter end.
Condition:	Our audit procedures revealed the second quarterly report was not filed timely for both grants.
Effect:	The City of Durham is not in compliance with the reporting requirements as specified by the grantor.
Cause:	The program administrators failed to file the reports timely.
Questioned Costs:	None.
Recommendation:	We recommend reports for grants received be filed in a timely manner.

CITY OF DURHAM, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2001

U.S. Department of Housing and Urban Development
Program Name: Community Development Block Grant
CFDA #: 14.218
Grant Number: B-00-MC-37-004

Reportable Condition
Finding 01-5

Criteria:	The City is required to perform an environmental review and request for release of funds unless they meet criteria specified in the regulations that would exempt or exclude them.
Condition:	We were unable to obtain documentation indicating that an environmental review for the 2415 State Street project was not necessary.
Effect:	The City of Durham is not in compliance with the reporting requirements as specified by the grantor.
Cause:	The program is in violation of meeting the documentation requirements.
Questioned Costs:	None.
Recommendation:	We recommend obtaining documentation indicating that an environmental review was not determined necessary for the 2415 State Street project.

CITY OF DURHAM, NORTH CAROLINA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2001

U.S. Department of Housing and Urban Development
Program Name: Economic Development
CFDA #: 14.864
Grant Number: B-99-SP-NC-0117

Reportable Condition
Finding 01-6

Criteria:	The City is required to comply with the close-out procedures as specified in the grant agreement.
Condition:	The Department of Housing and Urban Development monitoring visit and our single audit revealed Economic Development did not perform the close-out procedures as required by the grantor.
Effect:	The program is not in compliance with the project close-out procedures as specified by the grantor.
Cause:	The program is in violation of meeting the project close-out requirements.
Questioned Costs:	None.
Recommendation:	We recommend project close-out procedures be completed in accordance with grantor requirements.

IV – State award findings and questioned costs

None reported.

CITY OF DURHAM, NORTH CAROLINA
Schedule of Findings and Questioned Costs
For the Year Ended June 30, 2001

Section III- Federal Award Findings and Questioned Costs

Reportable Condition

01-1 Underwriting Requirements, Documentation Standards

Name of contact person: Charlene Montford, Director Housing Department

Corrective Action: Document all loans in accordance with the underwriting requirements set forth in the grant agreement.

Proposed Completion Date: Presently working with Housing Department to come into compliance with the grant agreement.

01-2 Quarterly Reports

Name of contact person: Jesse Burwell, Program Accountant

Corrective Action: Quarterly reports need to be filed in a timely manner.

Proposed Completion Date: Reports filed timely for 3rd and 4th quarters of fiscal year 2001, future reports will be filed in a timely manner.

01-3 Quarterly Reports

Name of contact person: Jesse Burwell, Program Accountant

Corrective Action: Quarterly reports need to be filed in a timely manner.

Proposed Completion Date: Reports filed timely for 3rd and 4th quarters of fiscal year 2001, future reports will be filed in a timely manner.

CITY OF DURHAM, NORTH CAROLINA
Schedule of Findings and Questioned Costs
For the Year Ended June 31, 2001

01-4 Quarterly Reports

Name of contact person: Jesse Burwell, Program Accountant

Corrective Action: Quarterly reports need to be filed in a timely manner.

Proposed Completion Date: Reports filed timely for 3rd and 4th quarters of fiscal year 2001, future reports will be filed in a timely manner.

01-5 Environmental Review

Name of contact person: Paul Joyner, Assistant Director Housing and Community Development.

Corrective Action: Obtain documentation that an environmental review was not necessary.

Proposed Completion Date: Currently working with the Department of Housing and Urban Development to clear finding.

00-6 Grant Close Out

Name of contact person: Esther Tyler, Program Accountant

Corrective Action: Close out grant in accordance with the procedures specified in the grant agreement.

Proposed Completion Date: Presently working with Economic Development to close out the grant with the procedures in the grant agreement.